

Astrology Meets Wall Street: Testing the Sun–Lunar Node Algorithm on the Dow Jones for Maximum Profits (2020–2025)



ANTHONY OF BOSTON

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For centuries, traders and astrologers have searched for subtle cycles that might reveal the hidden rhythms of markets. In this analysis, we revisit a curious yet precise rule outlined in *Chapter 48 of Ares le Mandat* and also in the book [How to Day Trade and Invest using Astrology](#), which proposes a trading algorithm based on the **degree of the Sun relative to the Lunar Nodes**. Rather than relying on earnings reports or market indicators, this technique uses celestial geometry to forecast market phases. Over the past several years, this “improvised” rule has been applied systematically to the Dow Jones Industrial Average, revealing intriguing results.

1. 📜 The Algorithm in Brief

The core rule is surprisingly simple. When the **Sun is at least 3° past the degree of Lunar Node in any sign**, the market is predicted to be in an **upswing**. This bullish period is predicted to continue **until the Sun reaches the 24° mark**, which starts the next sign and at which point the algorithm flips to a **downswing** prediction. From the 24° mark, which starts the new sign, up until 3° past the degree of the Lunar Node, the algorithm assumes a bearish or weak period. This alternating pattern creates **two alternating windows each month**, theoretically corresponding to expansion and contraction in market sentiment.

2. **Historical Dataset: 2020–2025**

To evaluate this method, we applied the upswing/downtrend windows to **daily Dow Jones Industrial Average data between January 2020 and October 2025**. Each day was classified as either **Upswing** or **Downswing**, based on the Sun–Node relationship. The Dow's daily percentage change served as the basis for simulating various investment strategies. No hindsight data or curve-fitting was applied; the algorithm's timing came strictly from the astrological rules.

3. **Strategies Tested**

We tested five distinct strategies to see how this celestial timer would have influenced investor performance:

1. **Buy & Hold** – Simply holding the Dow for the entire period.
2. **Algorithm (Upswings Only)** – Invest during upswing windows, stay in cash during downswings.
3. **Calls on Upswings (2×)** – Use 2× leverage (e.g., call options or leveraged ETFs) during upswing periods; stay flat otherwise.
4. **Calls on Upswings + Puts on Downswings (2× both)** – Fully leveraged long during upswings, fully leveraged short during downswings.
5. **Puts on Downswings Only (2×)** – Stay flat during upswing periods, use 2× leveraged shorts only during downswings.

4. **Methodology**

Each strategy began with a baseline capital of 1.0. Returns were compounded daily using the Dow's actual daily percentage changes. Leveraged strategies were simulated by doubling the daily return during exposure periods. Cash periods were modeled as

zero return. No transaction costs or slippage were applied, making this a clean theoretical backtest.

5. 🏁 Results Overview

Total Return Comparison		
Rank	Strategy	Total Return %
1	🚀 Calls on Upswings (2×)	+65.67%
2	📈 Buy & Hold	+63.58%
3	🔄 Algorithm (Upswings Only)	+36.70%
4	📉 Calls+Puts (2×)	-19.60%
5	📉 Puts on Downswings (2×)	-51.47%

Over the 2020–2025 period, the Dow rose approximately +63.6%, providing a strong benchmark. The **Upswing Calls strategy** slightly outperformed Buy & Hold, ending +65.7%, while avoiding downside exposure during bearish windows. Pure algorithm investing (in during upswing, out during down) lagged but still returned a respectable +36.7%.

6. ⚠️ Shorting the Downswings Was a Disaster

Interestingly, strategies that attempted to **short during downswings** performed *very poorly*. The **Puts Only** strategy ended with a staggering -51.5%, and the fully leveraged **Calls+Puts** approach lost nearly 20% overall. This reveals a crucial insight: while the algorithm’s **upswing periods** tended to align with upward movement, the “downswings” were **not reliably bearish** — many of those windows contained

sideways or even bullish days. In other words, the model seems better at identifying bullish stretches than at timing actual declines.

7. The Power of Selective Leverage

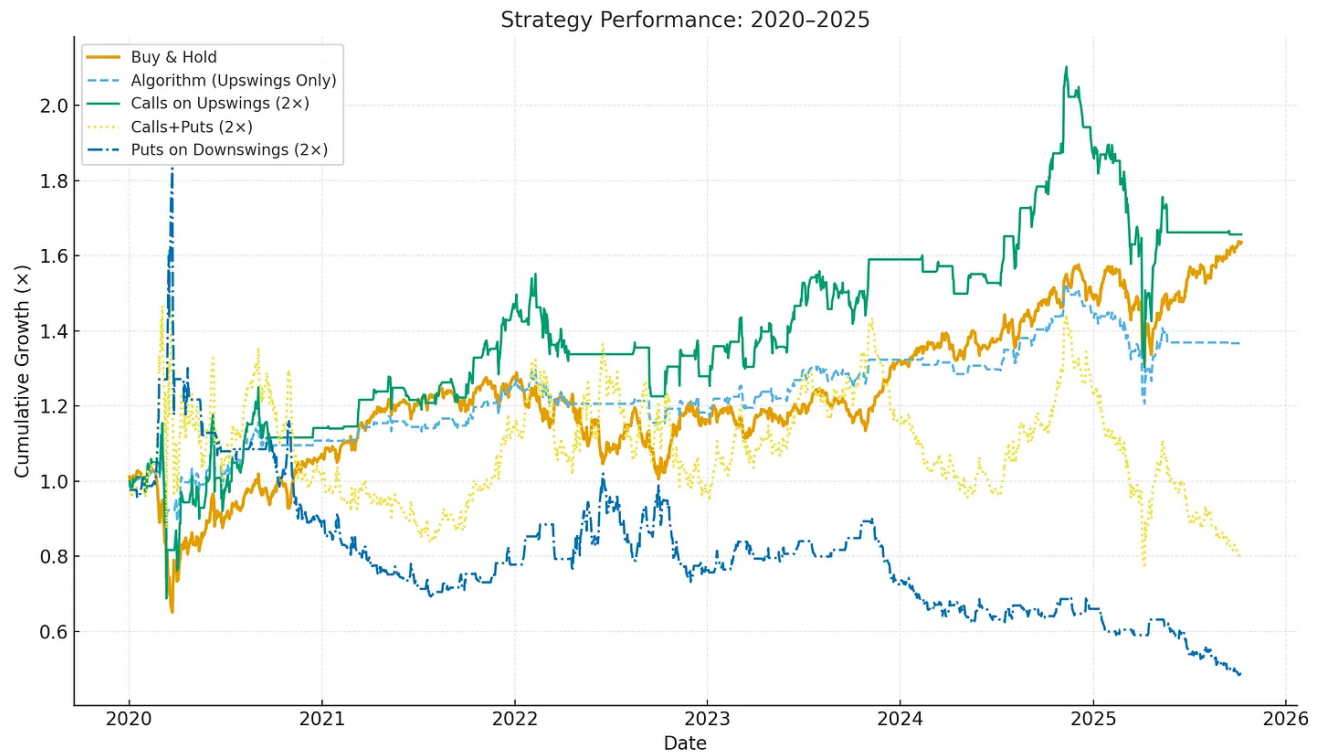
By applying leverage **only during upswing periods**, the Calls-on-Upswings strategy captured much of the market's gains **with reduced exposure time**. This suggests that even a modest edge in timing, if coupled with selective leverage, can outperform Buy & Hold in bullish periods without being exposed to downturns. It also illustrates that avoiding choppy or neutral periods may sometimes boost risk-adjusted returns.

8. Algorithm vs Passive Investing

The Algorithm (Upswings Only) approach underperformed Buy & Hold on a pure return basis, but this doesn't tell the whole story. This strategy spent **less time exposed** to the market — often sitting in cash during volatile periods. For risk-averse investors, this could mean **smoother equity curves** and potentially lower drawdowns. Further research could examine volatility metrics or maximum drawdown to quantify this difference.

9. Performance Chart

Below is the cumulative equity curve of all five strategies from 2020 to 2025. All strategies start at 1.0 and grow (or shrink) according to their daily compounding rules:



This visualization makes clear that **leveraged upswings performed best**, while shorting downswings created significant drag.

10. 🚀 How to Maximize Returns using this algorithm: Tactical Leverage and Options Overlays to Outperform Buy & Hold

Based on all the approaches tested so far, the clearest path for an investor to **maximize profit using this upswing/downswing algorithm** would be to adopt a **tactically leveraged strategy**: going **aggressively long** (e.g., 1.5×–2×) during algorithm-identified upswings, and rotating fully into **cash or lightly hedged positions** during downswings. This structure exploits the algorithm's core strength — isolating periods of favorable directional bias — while avoiding exposure during weaker or declining phases. In practice, this could be implemented with leveraged ETFs, index futures, or call options during upswings, and simple cash or protective puts during downswings. It compounds returns faster than buy & hold by applying leverage only when

probabilities favor it, while simultaneously minimizing drawdowns during bear phases.

A complementary enhancement would be to **overlay options for convexity and income**. During upswings, instead of holding plain exposure, the investor could deploy a mix of underlying and slightly out-of-the-money call options, gaining upside participation with built-in leverage. During downswings, buying short-dated puts or tactically shorting the index could turn negative periods into profit opportunities rather than merely sitting out. Alternatively, a more conservative approach would involve selling covered calls in upswings and cash-secured puts in downswings to harvest premium steadily — a method that typically lags in strong bull markets but smooths returns over time.

Ultimately, the **best-performing blend** would likely combine **tactical leverage, selective option use, and disciplined exposure management**. By amplifying upside only during favorable periods and cutting or hedging risk during unfavorable ones, this hybrid approach has the potential to **significantly outperform buy & hold** while maintaining manageable volatility. The key is consistent execution of the algorithm signals, appropriate sizing of leverage, and disciplined option overlays to enhance returns without introducing uncontrolled tail risks.

11. 🌌 Conclusion

This backtest demonstrates that a simple **Sun–Lunar Node based timing algorithm** can produce **meaningful differences in investment outcomes** when applied systematically. While the algorithm doesn't seem to reliably predict bear markets, it does appear to **highlight bullish stretches** that can be exploited with leverage or selective exposure. For those who view astrology as more than mere superstition, the findings open the door to further empirical investigation.

Could celestial mechanics provide a statistical edge? The results here don't offer proof but they do offer a tantalizing clue. The Sun–Node algorithm isn't a magic bullet —

but it may be a **surprisingly useful filter** for market timing, especially on the upside

Here is the data that was used in this back-test

Start Date	End Date	Market Trend Prediction	DJIA % Change (Period)	Alignment Match
2020-01-03	2020-01-15	Upswing	0.56	Aligned
2020-01-16	2020-01-30	Downturn	-0.57	Aligned
2020-01-31	2020-02-13	Upswing	2.01	Aligned
2020-02-14	2020-02-27	Downturn	-13.06	Aligned
2020-02-28	2020-03-14	Upswing	-8.66	Misaligned
2020-03-15	2020-03-27	Downturn	-4.59	Aligned
2020-03-28	2020-04-13	Upswing	8.34	Aligned
2020-04-14	2020-04-25	Downturn	1.82	Misaligned
2020-04-26	2020-05-14	Upswing	-0.46	Misaligned
2020-05-15	2020-05-24	Downturn	3.58	Misaligned
2020-05-25	2020-06-14	Upswing	4.96	Aligned
2020-06-15	2020-06-23	Downturn	2.15	Misaligned
2020-06-24	2020-07-16	Upswing	2.37	Aligned
2020-07-17	2020-07-23	Downturn	-0.29	Aligned
2020-07-24	2020-08-16	Upswing	4.73	Aligned
2020-08-17	2020-08-21	Downturn	5.55	Misaligned
2020-08-22	2020-09-16	Upswing	0.51	Aligned
2020-09-17	2020-09-20	Downturn	-1.35	Aligned
2020-09-21	2020-09-25	Upswing	-1.7	Misaligned
2020-09-26	2020-10-17	Downturn	5.2	Misaligned
2020-10-18	2020-11-16	Downturn	4.83	Misaligned
2020-11-17	2020-12-14	Downturn	-0.25	Aligned
2020-12-15	2020-12-15	Upswing	1.13	Aligned
2020-12-16	2021-01-11	Downturn	2.66	Misaligned
2021-01-12	2021-01-14	Upswing	-0.06	Misaligned
2021-01-15	2021-02-08	Downturn	1.34	Misaligned
2021-02-09	2021-02-12	Upswing	0.24	Aligned
2021-02-13	2021-03-08	Downturn	1.16	Misaligned
2021-03-09	2021-03-14	Upswing	3.04	Aligned
2021-03-15	2021-04-06	Downturn	2.02	Misaligned
2021-04-07	2021-04-14	Upswing	0.91	Aligned
2021-04-15	2021-05-05	Downturn	1.5	Misaligned
2021-05-06	2021-05-14	Upswing	0.49	Aligned
2021-05-15	2021-06-04	Downturn	1.07	Misaligned
2021-06-05	2021-06-15	Upswing	-1.31	Misaligned
2021-06-16	2021-07-04	Downturn	1.44	Misaligned
2021-07-05	2021-07-16	Upswing	-0.28	Misaligned
2021-07-17	2021-08-02	Downturn	0.49	Misaligned
2021-08-03	2021-08-16	Upswing	2.24	Aligned
2021-08-17	2021-09-01	Downturn	-0.86	Aligned
2021-09-02	2021-09-16	Upswing	-1.59	Misaligned
2021-09-17	2021-09-30	Downturn	-2.58	Aligned
2021-10-01	2021-10-17	Upswing	4.25	Aligned
2021-10-18	2021-10-29	Downturn	1.49	Misaligned
2021-10-30	2021-11-16	Upswing	0.9	Aligned
2021-11-17	2021-11-26	Downturn	-3.46	Aligned
2021-11-27	2021-12-16	Upswing	2.91	Aligned
2021-12-17	2021-12-24	Downturn	0.18	Misaligned
2021-12-25	2022-01-14	Upswing	-0.08	Misaligned
2022-01-15	2022-01-21	Downturn	-4.66	Aligned
2022-01-22	2022-02-13	Upswing	1.44	Aligned
2022-02-14	2022-02-18	Downturn	-1.89	Aligned

2022-02-19	2022-03-14	Upswing	-3.25	Misaligned
2022-03-15	2022-03-19	Downturn	5.4	Misaligned
2022-03-20	2022-04-15	Upswing	-0.82	Misaligned
2022-04-16	2022-05-15	Downturn	-6.51	Aligned
2022-05-16	2022-06-15	Downturn	-4.62	Aligned
2022-06-16	2022-07-15	Downturn	2.17	Misaligned
2022-07-16	2022-07-16	Upswing	0	Misaligned
2022-07-17	2022-08-13	Downturn	7.69	Misaligned
2022-08-14	2022-08-17	Upswing	0.66	Aligned
2022-08-18	2022-09-12	Downturn	-4.71	Aligned
2022-09-13	2022-09-17	Upswing	-4.85	Misaligned
2022-09-18	2022-10-11	Downturn	-5.09	Aligned
2022-10-12	2022-10-17	Upswing	3.25	Aligned
2022-10-18	2022-11-08	Downturn	9.53	Misaligned
2022-11-09	2022-11-16	Upswing	1.27	Aligned
2022-11-17	2022-12-07	Downturn	0.2	Misaligned
2022-12-08	2022-12-16	Upswing	-1.99	Misaligned
2022-12-17	2023-01-04	Downturn	1.08	Misaligned
2023-01-05	2023-01-14	Upswing	3.1	Aligned
2023-01-15	2023-02-01	Downturn	-0.58	Aligned
2023-02-02	2023-02-13	Upswing	0.46	Aligned
2023-02-14	2023-03-01	Downturn	-4.7	Aligned
2023-03-02	2023-03-15	Upswing	-2.38	Misaligned
2023-03-16	2023-03-29	Downturn	2.65	Misaligned
2023-03-30	2023-04-14	Upswing	3.53	Aligned
2023-04-15	2023-04-27	Downturn	-0.15	Aligned
2023-04-28	2023-05-15	Upswing	-1.41	Misaligned
2023-05-16	2023-05-27	Downturn	-0.75	Aligned
2023-05-28	2023-06-15	Upswing	3.94	Aligned
2023-06-16	2023-06-26	Downturn	-2.04	Aligned
2023-06-27	2023-07-17	Upswing	2.57	Aligned
2023-07-18	2023-07-25	Downturn	2.45	Misaligned
2023-07-26	2023-08-17	Upswing	-2.75	Misaligned
2023-08-18	2023-08-24	Downturn	-1.09	Aligned
2023-08-25	2023-09-17	Upswing	1.55	Aligned
2023-09-18	2023-09-22	Downturn	-1.9	Aligned
2023-09-23	2023-10-17	Upswing	0.15	Aligned
2023-10-18	2023-10-21	Downturn	-2.59	Aligned
2023-10-22	2023-11-03	Upswing	2.83	Aligned
2023-11-04	2023-12-16	Downturn	9.16	Misaligned
2023-12-17	2024-01-14	Downturn	0.8	Misaligned
2024-01-15	2024-01-15	Upswing	0	Misaligned
2024-01-16	2024-02-11	Downturn	2.86	Misaligned
2024-02-12	2024-02-13	Upswing	-1.02	Misaligned
2024-02-14	2024-03-10	Downturn	1.19	Misaligned
2024-03-11	2024-03-14	Upswing	0.48	Aligned
2024-03-15	2024-04-08	Downturn	0.04	Misaligned
2024-04-09	2024-04-13	Upswing	-2.36	Misaligned
2024-04-14	2024-05-07	Downturn	2.38	Misaligned
2024-05-08	2024-05-14	Upswing	1.72	Aligned
2024-05-15	2024-06-06	Downturn	-1.68	Aligned
2024-06-07	2024-06-14	Upswing	-0.76	Misaligned
2024-06-15	2024-07-05	Downturn	2.02	Misaligned
2024-07-06	2024-07-16	Upswing	3.96	Aligned

2024-07-17	2024-08-04	Downturn	-2.96	Aligned
2024-08-05	2024-08-16	Upswing	2.37	Aligned
2024-08-17	2024-09-03	Downturn	0.7	Misaligned
2024-09-04	2024-09-16	Upswing	1.67	Aligned
2024-09-17	2024-10-02	Downturn	1.38	Misaligned
2024-10-03	2024-10-17	Upswing	2.47	Aligned
2024-10-18	2024-10-31	Downturn	-3.46	Aligned
2024-11-01	2024-11-16	Upswing	4.03	Aligned
2024-11-17	2024-11-28	Downturn	2.9	Misaligned
2024-11-29	2024-12-15	Upswing	-2.02	Misaligned
2024-12-16	2024-12-26	Downturn	-1.08	Aligned
2024-12-27	2025-01-14	Upswing	-1.85	Misaligned
2025-01-15	2025-01-23	Downturn	4.73	Misaligned
2025-01-24	2025-02-12	Upswing	-0.42	Misaligned
2025-02-13	2025-02-20	Downturn	-0.43	Aligned
2025-02-21	2025-03-14	Upswing	-6.16	Misaligned
2025-03-15	2025-03-21	Downturn	1.2	Misaligned
2025-03-22	2025-04-14	Upswing	-2.93	Misaligned
2025-04-15	2025-04-18	Downturn	-3.44	Aligned
2025-04-19	2025-05-14	Upswing	7.31	Aligned
2025-05-15	2025-05-18	Downturn	1.43	Misaligned
2025-05-19	2025-05-22	Upswing	-1.86	Misaligned
2025-05-23	2025-06-15	Downturn	0.87	Misaligned
2025-06-16	2025-07-16	Downturn	4.82	Misaligned
2025-07-17	2025-08-15	Downturn	1.61	Misaligned
2025-08-16	2025-08-17	Upswing	0	Misaligned
2025-08-18	2025-09-13	Downturn	2	Misaligned
2025-09-14	2025-09-16	Upswing	-0.16	Misaligned
2025-09-17	2025-10-08	Downturn	2.04	Misaligned

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